CANADA - PRINCE EDWARD ISLAND
Crop Insurance

ANNUAL REPORT
1986-87

PRINCE EDWARD ISLAND
CROP INSURANCE AGENCY

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PHONE 892-4101

PRINCE EDWARD ISLAND

CROP INSURACE AGENCY

The Honourable Tim Carroll
Minister of Agriculture
Dept. of Agriculture
P.O. Box 2000
Charlottetown
Province of Prince Edward Island

Sir:

I have the honour of submitting herewith the Annual Report of the Canada-Prince Edward Island Crop Insurance Agency.

This report includes a brief summary of operations and the audited Financial Statements for the fiscal year ending March 31st, 1987.

Respectfully Submitted,

Ronald B. McInnis
Manager
Prince Edward Island
Crop Insurance Agency

1986-87 ANNUAL REPORT

OF

THE CROP INSURANCE AGENCY OF P.E.I.

FOR THE FISCAL YEAR ENDING MARCH 31, 1987

BOARD MEMBERS

Bill Lewis	-	Chairman
Raynall MacNeill	-	Secretary
George Walsh	-	Member
Fred McCardle	-	Member
John MacKinnon	-	Member

OFFICE STAFF

Ronald B. McInnis	-	Manager
Jean Morrison	-	Accountant
Gloria Dalziel	-	Secretary
Scott MacPhail	-	Technician

FIELD STAFF

Holland Cahill	-	Tignish
Clarence Ross	-	Bonshaw
John Fitzpatrick	-	Sherwood

The Prince Edward Island Crop Insurance Agency is a Crown Corporation of the Province of Prince Edward Island under the authority of the Minister of Agriculture.

OBJECTIVES OF THE AGENCY

(a) The objectives of the Agency are to make available to Prince Edward Island Farmers, a comprehensive all-risk crop insurance plan, which in years of crop losses will return to the farmer his cost of production.

(b) Offer protection against crop loss caused by all natural hazards from date of seeding to the final harvest date.

RESPONSIBILITIES

1. Administration of the Crop Insurance Act.
2. Administration of Crop Insurance Plans, established by regulations, including the function of selling, underwriting, claims adjusting and accounting.
3. Conducting surveys and research programs relating to crop insurance.
4. Train staff to maintain a high degree of efficency of operation.

FINANCIAL PARTICIPATION

The Government of Canada provides financial assistance to the Canada-Prince Edward Island Crop Insurance Program by contributing fifty percent of the total premium required each year. The Federal Government's contribution to this program totalled $1,291,007.00 for 1986-87.

The Government of Prince Edward Island contributes all of the administrative costs, totalling approximately $201,244.00 for the year 1986-87.

P.E.I. CROP INSURANCE PROGRAMS FOR 1986-87

PLANS AVAILABLE	COVERAGE AVAILABLE	UNIT PRICE	PREMIUM
1. Potatoes	75%	3.5¢ & 4¢ per pound	7%, 9% & 12%
2. Spring Grains	75%	5¢, 6¢, & 7¢ per pound	10.00%
3. Field Peas	75%	5¢, 6¢, & 7¢ per pound	10.00%
4. Corn	75%	$12.00 per ton	10.00%
5. Tobacco	80%	90% of last two years' average	5.60%
6. Cole Crops	80%	90% of last two years' average	12.00%
7. Processing Peas	$264.00	per acre	$31.68 per acre
8. Cabbage	70%	$2.50 per bushel	9.50%
9. Rutabagas	80%	$1.15 per bushel	12.80%
10. Strawberries	up to $1400.00	per acre	8.60%
11. Winter Cereals	75%	7¢ per pound	10.00%
12. Soybeans	75%	9¢ per pound	10.00%

1986 CROP SUMMARY

CROPS	CONTRACTS	ACRES	PREMIUM	COVERAGE
POTATOES	413	27,589	2,018,308	19,060,915
GRAIN	162	13,866	135,580	1,385,043
TOBACCO	56	2,967	351,356	6,893,153
CORN	3	43	582	5,819
RUTABAGAS	23	221	13,336	97,732
COLE CROPS*	16	159	15,141	136,001
STRAWBERRIES	5	36	2,750	37,300
PROCESSING PEAS	5	289	9,456	76,296
WINTER CEREALS	16	1,201	18,519	185,185
SOYBEANS	17	1,439	18,274	179,140
TOTAL	716	47,810	2,583,302	28,056,584

* Broccoli
Brussel Sprouts
Cauliflower
Cabbage

AUDITOR GENERAL

CHARLOTTETOWN

PRINCE EDWARD ISLAND

PRINCE EDWARD ISLAND CROP INSURANCE AGENCY

FINANCIAL STATEMENTS

MARCH 31, 1987

AUDITOR GENERAL

CHARLOTTETOWN

PRINCE EDWARD ISLAND

AUDITOR'S REPORT

To the Board of Directors of the
Prince Edward Island Crop Insurance Agency

I have examined the balance sheet of the Prince Edward Island Crop Insurance Agency as at March 31, 1987 and the statement of income for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Agency as at March 31, 1987 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J. Wayne Murphy, C.A.
Auditor General

Charlottetown, Prince Edward Island
June 24, 1987

STATEMENT 1

PRINCE EDWARD ISLAND CROP INSURANCE AGENCY

BALANCE SHEET

MARCH 31, 1987

(with comparative figures at March 31, 1986)

ASSETS

	1987	1986
Current Assets		
Cash	$ 70,145	$ 15,043
Accounts Receivable	5,577	18,411
	$ 75,722	$ 33,454

LIABILITIES AND RETAINED EARNINGS

Current Liabilities		
Indemnities Payable	$ 97,148	$ 684,208
Deferred Revenue	9,386	32,051
Promissory Note - Province of P.E.I. (1987: 8.12%, 1986: 12.5%)	195,740	500,000
	302,274	1,216,259
Retained Earnings		
Balance, Beginning of Year	(1,182,805)	738,229
Income (Loss) for the Year	956,253	(1,921,034)
Balance, End of Year - Note 3	(226,552)	(1,182,805)
	$ 75,722	$ 33,454

(Notes 1 to 3 and Schedule 1 are an integral part of these financial statements)

ON BEHALF OF THE BOARD:

DIRECTOR: William C. Lewis

DIRECTOR: G.P. Walsh

STATEMENT 2

PRINCE EDWARD ISLAND CROP INSURANCE AGENCY

STATEMENT OF INCOME

FOR THE YEAR ENDED MARCH 31, 1987

(with comparative figures for the year ended March 31, 1986)

	1987	1986
Income		
Insurance Premiums	$1,292,266	$1,288,738
Federal Contributions - Note 1	1,291,007	1,284,344
Provincial Appropriation - Note 2	201,244	197,534
Interest	23,006	113,799
	2,807,523	2,884,415
Expenses		
Indemnities - Schedule 1	1,617,694	4,599,323
Administrative Expenses - Note 2	201,244	197,534
Interest	32,332	6,795
Bad Debt	-	1,797
	1,851,270	4,805,449
Income (Loss) for the Year	$ 956,253	$(1,921,034)

(Notes 1 to 3 and Schedule I are an integral part of these financial statements)

PRINCE EDWARD ISLAND CROP INSURANCE AGENCY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1987

1. Federal Contributions
The Government of Canada contributes amounts on a quarterly basis to match the premium income paid by insured farmers.

2. Provincial Appropriation - Administrative Expenses
The Administrative Expenses were appropriated by the Province of Prince Edward Island and paid through the Department of Agriculture on behalf of the Crop Insurance Agency.

Administrative Expenses	1987	1986
Salaries	$173,336	$167,091
Travel	22,795	22,663
Supplies and Administration	1,873	2,350
Fees - Board Members	3,240	5,430
	$201,244	$197,534

3. Retained Earnings
Section 65 of the Financial Administration Act of the Province states that "profits or losses of Crown Corporations shall be taken into the revenues or expenditures of the Consolidated Fund in the year in which they become apparent unless the Lieutenant Governor in Council declares by Minute-in-Council that the profit is to be retained or the loss recouped by the Crown Corporation". Order-in-Council No. EC425/87 states that the accumulated deficit of the Prince Edward Island Crop Insurance Agency for the year ended March 31, 1987 in the amount of $226,552 shall be recouped by the Corporation.

SCHEDULE 1

PRINCE EDWARD ISLAND CROP INSURANCE AGENCY

SCHEDULE OF PREMIUMS AND INDEMNITIES BY PROGRAM

AS AT MARCH 31, 1987

	Excess Premiums (Indemnities) Beginning	Premiums	Indemnities	Excess Premiums (Indemnities) Ending
Potatoes	$(3,387,080)	$2,017,037	$ 803,631	$(2,173,674)
Tobacco	1,611,900	351,356	546,583	1,416,673
Grain	181,065	135,580	59,668	256,977
Cole Crops	(271,980)	15,141	6,352	(263,191)
Rutabagas	(17,257)	13,336	10,073	(13,994)
Processing Peas	79,200	9,455	5,282	83,373
Corn	(918)	582	1,008	(1,344)
Winter Wheat	(17,688)	18,519	39,943	(39,112)
Soybean	3,928	19,517	128,454	(105,009)
Other	(3,599)	2,750	16,700	(17,549)
	$(1,822,429)	$2,583,273	$1,617,694	(856,850)
Other retained earnings				630,298
Retained earnings				$ (226,552)